CCC INTERROGATORY #1

INTERROGATORY

DV - Deferral and Variance Accounts
Issue DV1: Are Enbridge's existing and proposed deferral and variance accounts appropriate?

Ref: D1/T8/S1/p. 5

Is EGD proposing any changes to its PGVA and the methodologies for recording costs in the PGVA. If so, please explain the rationale for the change(s).

RESPONSE

EGD is not proposing any change to the PGVA methodology.

Witnesses: I. Chan
K. Culbert
D. Small
R. Small

CCC INTERROGATORY #2

INTERROGATORY

DV - Deferral and Variance Accounts
Issue DV1: Are Enbridge's existing and proposed deferral and variance accounts appropriate?

Ref: D1/T8/S1/p. 10

Is EGD proposing any changes the 2013 Unaccounted For Gas Variance Account? If so, please explain the rationale for the change(s).

RESPONSE

EGD is not proposing any change to the Unaccounted for Gas Variance Account methodology.

Witnesses: I. Chan
K. Culbert
D. Small
R. Small

CCC INTERROGATORY #3

INTERROGATORY

DV - Deferral and Variance Accounts
Issue DV1: Are Enbridge's existing and proposed deferral and variance accounts appropriate?

Ref: D1/T8/S1/p. 14

EGD has proposed that with respect to the Manufactured Gas Plant Deferral Account that "Costs charged to the account could include, but are not limited to" a number of cost categories. Why does EGD propose that the cost categories essentially be open-ended for this account?

RESPONSE

EGD is proposing that the scope of the Manufactured Gas Plant Deferral Account would continue in the same manner as last approved by the Board for 2012, and previously approved by the Board in prior years. The scope does not pre-suppose clearance of any amounts recorded in the account as any eventual designated treatment of the account is to be determined by the Board in a future rate hearing.

Witnesses: L. Cornwall
K. Culbert
R. Small

CCC INTERROGATORY #4

INTERROGATORY

DV - Deferral and Variance Accounts
Issue DV1: Are Enbridge's existing and proposed deferral and variance accounts appropriate?

Ref: D1/T8/S1/p. 16

Please provide a forecast of the expected activities and revenue to be recorded in the 2013 EPESDA. Why is a 50:50 sharing appropriate when the resources used to generate the revenue has been paid for by ratepayers?

RESPONSE

Enbridge expects to generate the following 50:50 sharing to the Electric Program Earnings Sharing Deferral Account ("EPESDA") based on the forecast revenues and costs outlined in the table below:

Description	2013 Test Year Budget ($ millions)	Current 2013 Forecast ($ millions)
Gross Revenue	3.5	2.5
Costs		
O&M Expense	1.5	1.0
Overhead Costs	1.0	0.7
Total Costs	2.5	1.7
Net Revenues	1.0	0.8
50:50 Sharing to 2013 EPESDA	**0.5**	**0.4**

The expected CDM activities in 2013 involve delivering the OPA funded High Performance New Construction ("HPNC") program on behalf of 15 local electric distribution companies ("LDCs"). Enbridge has no plans at this time to deliver retrofit

Witnesses: J. DeVenz
K. Culbert
R. Small

CDM programs to the industrial and commercial sectors on behalf of LDCs as was originally anticipated in the 2013 Rate Case filing, at Exhibit D1, Tab 17, Schedule 1, pages 11 to 12, and Exhibit C3, Tab 1, Schedule 1, page 5.

The 50:50 sharing of net revenues from electric CDM activities was a decision originally made by the OEB as part of the 2006 Natural Gas DSM Generic Issues Proceeding (EB-2006-0021). As part of the settlement agreement in 2011(EB-2011-0008, Exhibit N1, Tab 1, Schedule 1) approved by the OEB, all parties agreed that net revenues generated from delivering the HPNC program are to be included in EPESDA and shared 50:50. The resources used to deliver CDM programs are not paid for by ratepayers since all costs associated with these programs are removed from Enbridge's distribution rates on a fully allocated cost basis.

Witnesses: J. DeVenz
K. Culbert
R. Small

ENERGY PROBE INTERROGATORY #1

INTERROGATORY

DV - Deferral and Variance Accounts
Issue DV1: Are Enbridge's existing and proposed deferral and variance accounts appropriate?

Ref: Exhibit D1, Tab 8, Schedule 1

a) Is EGD proposing to close any existing deferral or variance accounts? If yes, please provide details.

b) Is EGD proposing any new deferral or variance accounts other than the Design Day Criteria Transportation Deferral Account and the Customer Care/CIS Rate Smoothing Deferral Account? If yes, please provide details.

RESPONSE

a) As referenced in the above exhibit, EGD is proposing to discontinue the following accounts for 2013, which are also highlighted in the table below.

Class Action Suit Deferral Account ("CASDA")
Municipal Permit Fees Deferral Account ("MPFDA")
Unbundled Rate Implementation Cost Deferral Account ("URICDA")
Unbundled Rates Customer Migration Variance Account ("URCMVA")
Tax Rate and Rule Change Variance Account ("TRRCVA")
Earnings Sharing Mechanism Deferral Account ("ESMDA")
International Financial Reporting Standards Transition Costs Deferral Account ("IFRSTCDA")
Open Bill Service Deferral Account ("OBSDA")
Open Bill Access Variance Account ("OBAVA")
Mean Daily Volume Mechanism Deferral Account ("MDVMDA")
Shared Saving Mechanism Variance Account ("SSMVA")

Witnesses: K. Culbert
R. Small

Table 1: 2011-2013 Deferral and Variance Accounts

2011	2012	2013
PGVA	PGVA	PGVA
TSDA	TSDA	TSDA
UAFVA	UAFVA	UAFVA
S&TDA	S&TDA	S&TDA
CDOCDA	CDOCDA	CDOCDA
CASDA	CASDA	
DRA	DRA	DRA
EPESDA	EPESDA	EPESDA
GDARCDA	GDARCDA	GDARCA
MGPDA	MGPDA	MGPDA
MPFDA	MPFDA	
OHCVA	OHCVA	OHCVA
URICDA	URICDA	
URCMVA	URCMVA	
AUTUVA	AUTUVA	AUTUVA
TRRCVA	TRRCVA	
ESMDA	ESMDA	
IFRSTCDA		
OBSDA	OBSDA	
OBAVA	OBAVA	
OBRVA	OBRVA	OBRVA
EFTPBSDA	EFTPBSDA	EFTPBSDA
MDVMDA	MDVMDA	
DSMVA	DSMVA	DSMVA
LRAM	LRAM	LRAM
SSMVA	DSMIDA	DSMIDA
		DDCTDA
		CCCISRSDA
	TIACDA	TIACDA

b) Other than the Design Day Criteria Transportation Deferral Account ("DDCTDA") and the Customer Care/CIS Rate Smoothing Deferral Account ("CCCISRSDA"), EGD is not proposing any new deferral or variance accounts for 2013 as highlighted above in Table 1.

Witnesses: K. Culbert
R. Small

ENERGY PROBE INTERROGATORY #2

INTERROGATORY

DV – Deferral and Variance Accounts
Issue DV1: Are Enbridge's existing and proposed deferral and variance accounts appropriate?

Ref: Exhibit D1, Tab 8, Schedule 1

a) Has EGD received any FT-RAM credits over the past 5 years?

b) If the response to part (a) is yes, where have these credits been recorded?

RESPONSE

a) EGD has received FT-RAM credits over the past 5 years

FT-RAM credits are available to TCPL shippers with firm long haul contracts who do not utilize 100 % of their contracted capacity in any month throughout the year and to shippers with STS contracts who do not utilize 100% of their capacity during the November 15th to April 15th period.

Accumulated credits can only be applied against IT transportation costs. For example, if a shipper does not utilize 100% of its RAM eligible capacity, i.e. STS in the month of December, then that shipper has available to them credits that can be applied against the costs associated with any IT transportation costs that might be incurred by that shipper in the month of December. However if the shipper does not contract for any IT transportation service in that month, the customer doesn't receive any FT-RAM credits. Also, any credits accumulated in a particular month that are not used can't be carried over to a subsequent month.

Because EGD has always operated its firm long-haul contracts at 100% load factor, it has never received any FT-RAM credits for that service. There are incidences however, where EGD has not fully utilized its firm STS contracts and therefore has accrued and applied credits against any IT transportation costs incurred.

b) As described above EGD has accumulated FT-RAM credits associated with unutilized STS capacity over the past five years. To the extent that the Company

Witnesses: K. Culbert
D. Small
R. Small

required IT transportation for the purposes of meeting the needs of the Utility customer, then any FT-RAM credits received by the Company would go to lowering that transportation costs to the benefit of the rate payer and be captured as part of the PGVA. If however, the Utility did not require any IT transportation and there was an opportunity for Transactional Services to enter into a deal with a third party through the use of IT transportation, then any FT-RAM credits received would offset that IT transportation cost and provide a benefit as part of the Transactional Services Transportation Optimization.

Witnesses: K. Culbert
D. Small
R. Small

FRPO INTERROGATORY #1

INTERROGATORY

DV - Deferral and Variance Accounts
Issue DV1: Are Enbridge's existing and proposed deferral and variance accounts appropriate?

Reference: D1, Tab 8, Schedule 1, pages 5-8, paragraphs 6-18

Using the first quarter of 2011, please show the calculations and resulting entries which would demonstrate the application of the methodology.

RESPONSE

Within each of the quarterly QRAM Applications, that EGD is required to file each fiscal year, evidence showing the ongoing forecast of PGVA, and the resulting PGVA amounts approved to be included and cleared through rate riders, is provided each quarter (Q1, Q2, Q3, and Q4) at Exhibit 3, Tab 1, Schedule 2.

The calculations for the PGVA in the first quarter of 2011, from EB-2010-0347, Exhibit Q1-3, Tab 1, Schedule 2, are filed as Attachment 1.

Witnesses: K. Culbert
D. Small
R. Small

ENBRIDGE GAS DISTRIBUTION INC.
Component of the Purchased Gas Variance Account
Gas Acquisition Costs

Item #	Particulars	Col. 1 Purchase Cost $(000)	Col. 2 10^3m^3	Col. 3 Unit Cost $/10^3m^3$	Col. 4 Reference Price $/10^3m^3$	Col. 5 Unit Rate Difference $/10^3m^3$	Col. 6 Monthly Variance $(000)	Col. 7 Forecast Clearance October 1, 2010 QRAM $(000)	Col. 8 Col. 6 minus Col. 7 $(000)	Col. 9 Commodity Component $(000)	Col. 10 Transportation Component $(000)	Col. 11 Load Balancing Component Delivered Supplies $(000)	Col. 12 Peaking Supplies $(000)
1	Jan-10	140,451.8	552,150.2	254.373	241.685	12.688	7,006.0	(7,006.0)	-	-	-	-	-
2	Feb-10	112,306.9	467,264.0	240.350	241.685	(1.335)	(623.6)	623.6	0.0	-	-	-	-
3	Mar-10	84,279.0	395,928.6	212.864	241.685	(28.820)	(11,410.9)	11,410.9	-	-	-	-	-
4	Apr-10	67,180.9	357,967.9	187.673	255.364	(67.691)	(24,231.2)	24,231.2	-	-	-	-	-
5	May-10	68,746.6	368,276.0	186.672	255.364	(68.692)	(25,297.8)	25,297.8	-	-	-	-	-
6	Jun-10	92,213.4	478,511.7	192.709	255.364	(62.655)	(29,981.3)	29,981.3	-	-	-	-	-
7	Jul-10	93,574.9	474,487.3	197.213	218.961	(21.748)	(10,319.3)	8,120.1	(2,199.2)	0.0	-	(2,199.2)	-
8	Aug-10	96,402.1	516,114.8	186.784	218.961	(32.177)	(16,606.9)	14,430.5	(2,176.4)	(2,888.7)	658.4	53.9	-
9	Sep-10	73,175.3	427,411.2	171.206	218.961	(47.755)	(20,411.1)	13,179.3	(7,231.8)	(8,240.4)	963.0	45.6	-
10	Oct-10	84,991.1	506,598.9	167.768	204.864	(37.096)	(18,792.8)	-	(18,792.8)	(16,166.3)	659.5	(3,504.3)	218.3
11	Nov-10	76,782.8	452,306.2	169.758	204.864	(35.106)	(15,878.5)	-	(15,878.5)	(14,737.7)	580.0	(1,707.5)	(13.3)
12	Dec-10	123,887.9	651,434.1	190.177	204.864	(14.687)	(9,567.5)	-	(9,567.5)	(9,892.4)	580.0	(175.7)	(79.3)
13	Total (Lines 1 to 12)	**1,113,992.8**	**5,648,450.7**	**197.221**			**(176,114.9)**	**120,268.7**	**(55,846.2)**	**(51,925.5)**	**3,440.9**	**(7,487.2)**	**125.7**
	Current QRAM Period												
14	Jan-11	117,063.5	595,465.0	196.592	192.600	3.992	2,377.1	2,377.1					
15	Feb-11	100,393.9	490,501.2	204.676	192.600	12.076	5,923.3	5,923.3					
16	Mar-11	107,305.0	543,055.0	197.595	192.600	4.995	2,712.6	2,712.6					
17	Apr-11	83,542.4	457,879.8	182.455	192.600	(10.145)	(4,645.2)	(4,645.2)					
18	May-11	89,566.0	493,705.0	181.416	192.600	(11.184)	(5,521.6)	(5,521.6)					
19	Jun-11	94,263.4	517,577.4	182.124	192.600	(10.476)	(5,422.1)	(5,422.1)					
20	Jul-11	98,184.0	534,830.0	183.580	192.600	(9.020)	(4,824.2)	(4,824.2)					
21	Aug-11	99,150.3	534,830.0	185.387	192.600	(7.213)	(3,857.7)	(3,857.7)					
22	Sep-11	97,062.0	517,577.4	187.531	192.600	(5.069)	(2,623.4)	(2,623.4)					
23	Oct-11	101,266.1	534,830.0	189.343	192.600	(3.257)	(1,741.9)	(1,741.9)					
24	Nov-11	87,087.0	418,081.5	208.302	192.600	15.702	6,564.7	6,564.7					
25	Dec-11	94,264.8	432,017.5	218.197	192.600	25.597	11,058.4	11,058.4					
26	Total (Lines 14 to 25)	**1,169,148.3**	**6,070,349.6**	**192.600**			**0.0**	**0.0**					

Item #		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6

January to December Variances

		Commodity $(000)	Transportation $(000)	Load Balancing $(000)	Total $(000)	Load Balancing Ontario Delivered $(000)	Load Balancing Peaking $(000)
1.1	**January**	3,502.5	71.0	3,432.6	7,006.0	3,626.2	(193.6)
1.2	**February**	145.8	99.1	(868.4)	(623.6)	(926.7)	58.3
1.3	**March**	(13,500.2)	(8.2)	2,097.5	(11,410.9)	988.1	1,109.4
1.4	**April**	(24,438.7)	86.2	121.3	(24,231.2)	121.3	-
1.5	**May**	(26,192.2)	1,516.0	(621.6)	(25,297.8)	(621.6)	-
1.6	**June**	(33,111.7)	386.9	2,743.5	(29,981.3)	2,743.5	-
1.7	**July**	(13,042.2)	695.0	2,028.0	(10,319.3)	2,028.0	-
1.8	**August**	(20,791.5)	658.4	3,526.3	(16,606.9)	3,526.3	-
1.9	**September**	(21,195.6)	963.0	(178.5)	(20,411.1)	(178.5)	-
1.10	**October**	(16,166.3)	659.5	(3,286.0)	(18,792.8)	(3,504.3)	218.3
1.11	**November**	(14,737.7)	580.0	(1,720.7)	(15,878.5)	(1,707.5)	(13.3)
1.12	**December**	(9,892.4)	580.0	(255.1)	(9,567.5)	(175.7)	(79.3)
1.0		**(189,420.2)**	**6,286.8**	**7,018.7**	**(176,114.7)**	**5,918.9**	**1,099.8**

- note 1 - see Col. 6 Ex Q1-3, T1, S2, page 1

As per October QRAM

		Commodity $(000)	Transportation $(000)	Load Balancing $(000)	Total $(000)	Load Balancing Ontario Delivered $(000)	Load Balancing Peaking $(000)
2.1	**January**	3,502.5	71.0	3,432.6	7,006.0	3,626.2	(193.6)
2.2	**February**	145.8	99.1	(868.4)	(623.6)	(926.7)	58.3
2.3	**March**	(13,500.2)	(8.2)	2,097.5	(11,410.9)	988.1	1,109.4
2.4	**April**	(24,438.7)	86.2	121.3	(24,231.2)	121.3	-
2.5	**May**	(26,192.2)	1,516.0	(621.6)	(25,297.8)	(621.6)	-
2.6	**June**	(33,111.7)	386.9	2,743.5	(29,981.3)	2,743.5	-
2.7	**July**	(13,042.2)	695.0	4,227.1	(8,120.1)	4,227.1	-
2.8	**August**	(17,902.9)	-	3,472.4	(14,430.5)	3,472.4	-
2.9	**September**	(12,955.2)	-	(224.1)	(13,179.3)	(224.1)	-
2.10	**October**						
2.11	**November**						
2.12	**December**						
2.0		**(137,494.8)**	**2,845.9**	**14,380.2**	**(120,268.6)**	**13,406.1**	**974.1**

- note 2 - see Col. 7 Ex Q1-3, T1, S2, page 1

Variances to be Cleared in January QRAM

		Commodity $(000)	Transportation $(000)	Load Balancing $(000)	Total $(000)	Load Balancing Ontario Delivered $(000)	Load Balancing Peaking $(000)
3.1	**January**	-	-	-	-	-	-
3.2	**February**	-	-	-	-	-	-
3.3	**March**	-	-	-	-	-	-
3.4	**April**	-	-	-	-	-	-
3.5	**May**	-	-	-	-	-	-
3.6	**June**	-	-	-	-	-	-
3.7	**July**	0.0	-	(2,199.2)	(2,199.2)	(2,199.2)	-
3.8	**August**	(2,888.7)	658.4	53.9	(2,176.4)	53.9	-
3.9	**September**	(8,240.4)	963.0	45.6	(7,231.8)	45.6	-
3.10	**October**	(16,166.3)	659.5	(3,286.0)	(18,792.8)	(3,504.3)	218.3
3.11	**November**	(14,737.7)	580.0	(1,720.7)	(15,878.5)	(1,707.5)	(13.3)
3.12	**December**	(9,892.4)	580.0	(255.1)	(9,567.5)	(175.7)	(79.3)
3.0		**(51,925.5)**	**3,440.9**	**(7,361.6)**	**(55,846.2)**	**(7,487.2)**	**125.7**

- note 3 - see Col. 8 Ex Q1-3, T1, S2, page 1

Item #		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7
	Jan-10							
	Supplies	**Volume Variance $(000)**	**Price Variance $(000)**	**Variance Amount $(000)**	**Commodity $(000)**	**Transportation $(000)**	**Load Balancing $(000)**	**Variance Amount $(000)**
1.1	**Ontario Delivered**	(4,459.9)	4,295.2	(164.7)	(3,790.8)		3,626.2	(164.7)
1.2	**Peaking Service**	533.1	(106.6)	426.5	620.1		(193.6)	426.5
1.3	**Ontario Production**	(18.5)	(0.5)	(19.0)	(19.0)			(19.0)
1.4	**Western Canadian - TCPL**	7,272.2	654.2	7,926.4	7,926.4			7,926.4
1.5	**Western Canadian - Alliance**	(5,674.1)	983.8	(4,690.3)	(4,690.3)			(4,690.3)
1.6	**Chicago Supplies**	3,268.1	7,811.7	11,079.8	11,079.8			11,079.8
1.7	**Transportation**	-	71.0	71.0	-	71.0		71.0
1.8	**PGVA**	-	(7,623.7)	(7,623.7)	(7,623.7)			(7,623.7)
1.		920.9	6,085.1	7,006.0	3,502.5	71.0	3,432.6	7,006.0
	Feb-10							
	Supplies	**Volume Variance $(000)**	**Price Variance $(000)**	**Variance Amount $(000)**	**Commodity $(000)**	**Transportation $(000)**	**Load Balancing $(000)**	**Variance Amount $(000)**
2.1	**Ontario Delivered**	(6,261.3)	(697.9)	(6,959.2)	(6,032.5)		(926.7)	(6,959.2)
2.2	**Peaking Service**	-	58.3	58.3	-		58.3	58.3
2.3	**Ontario Production**	(18.3)	(1.2)	(19.5)	(19.5)		-	(19.5)
2.4	**Western Canadian - TCPL**	6,793.6	275.3	7,068.9	7,068.9		-	7,068.9
2.5	**Western Canadian - Alliance**	(5,217.8)	706.5	(4,511.3)	(4,511.3)		-	(4,511.3)
2.6	**Chicago Supplies**	4,486.0	2,174.0	6,660.0	6,660.0		-	6,660.0
2.7	**Other**	-	99.1	99.1	-	99.1		99.1
2.8	**PGVA**		(3,019.9)	(3,019.9)	(3,019.9)			(3,019.9)
2.		(217.7)	(405.8)	(623.6)	145.8	99.1	(868.4)	(623.6)
	Mar-10							
	Supplies	**Volume Variance $(000)**	**Price Variance $(000)**	**Variance Amount $(000)**	**Commodity $(000)**	**Transportation $(000)**	**Load Balancing $(000)**	**Variance Amount $(000)**
3.1	**Ontario Delivered**	(3,699.8)	(265.8)	(3,965.6)	(4,953.6)		988.1	(3,965.6)
3.2	**Peaking Service**	(4,620.4)	1,109.4	(3,510.9)	(4,620.4)		1,109.4	(3,510.9)
3.3	**Ontario Production**	(18.0)	(3.2)	(21.2)	(21.2)		-	(21.2)
3.4	**Western Canadian - TCPL**	(7,134.0)	(2,030.8)	(9,164.8)	(9,164.8)		-	(9,164.8)
3.5	**Western Canadian - Alliance**	(5,783.4)	(804.1)	(6,587.5)	(6,587.5)		-	(6,587.5)
3.6	**Chicago Supplies**	4,931.8	(4,613.8)	318.0	318.0		-	318.0
3.7	**Other**	-	(8.2)	(8.2)	-	(8.2)		(8.2)
3.8	**PGVA**	-	11,529.3	11,529.3	11,529.3			11,529.3
3.		(16,323.7)	4,912.8	(11,410.9)	(13,500.2)	(8.2)	2,097.5	(11,410.9)
	Apr-10							
	Supplies	**Volume Variance $(000)**	**Price Variance $(000)**	**Variance Amount $(000)**	**Commodity $(000)**	**Transportation $(000)**	**Load Balancing $(000)**	**Variance Amount $(000)**
4.1	**Ontario Delivered**	(20,856.0)	(810.8)	(21,666.7)	(21,788.1)		121.3	(21,666.7)
4.2	**Peaking Service**	-	-	-	-		-	-
4.3	**Ontario Production**	(20.2)	(3.8)	(24.1)	(24.1)		-	(24.1)
4.4	**Western Canadian - TCPL**	(6,083.0)	(4,431.3)	(10,514.3)	(10,514.3)		-	(10,514.3)
4.5	**Western Canadian - Alliance**	(6,719.8)	(2,399.9)	(9,119.7)	(9,119.7)		-	(9,119.7)
4.6	**Chicago Supplies**	5,608.8	(10,055.3)	(4,446.5)	(4,446.5)		-	(4,446.5)
4.7	**Other**	-	86.2	86.2	-	86.2		86.2
4.8	**PGVA**	-	21,453.9	21,453.9	21,453.9			21,453.9
4.		(28,070.2)	3,839.0	(24,231.2)	(24,438.7)	86.2	121.3	(24,231.2)
	May-10							
	Supplies	**Volume Variance $(000)**	**Price Variance $(000)**	**Variance Amount $(000)**	**Commodity $(000)**	**Transportation $(000)**	**Load Balancing $(000)**	**Variance Amount $(000)**
5.1	**Ontario Delivered**	(5,423.2)	(1,016.1)	(6,439.4)	(5,817.8)		(621.6)	(6,439.4)
5.2	**Peaking Service**	-	-	-	-		-	-
5.3	**Ontario Production**	(22.9)	(2.6)	(25.5)	(25.5)		-	(25.5)
5.4	**Western Canadian - TCPL**	(3,831.8)	(5,288.3)	(9,120.1)	(9,120.1)		-	(9,120.1)
5.5	**Western Canadian - Alliance**	(6,240.7)	(3,376.9)	(9,617.7)	(9,617.7)		-	(9,617.7)
5.6	**Chicago Supplies**	5,975.9	(10,714.8)	(4,738.9)	(4,738.9)		-	(4,738.9)
5.7	**Other**	-	1,516.0	1,516.0	-	1,516.0		1,516.0
5.8	**PGVA**	-	3,127.8	3,127.8	3,127.8			3,127.8
5.		(9,542.7)	(15,755.1)	(25,297.8)	(26,192.2)	1,516.0	(621.6)	(25,297.8)
	Jun-10							
	Supplies	**Volume Variance $(000)**	**Price Variance $(000)**	**Variance Amount $(000)**	**Commodity $(000)**	**Transportation $(000)**	**Load Balancing $(000)**	**Variance Amount $(000)**
6.1	**Ontario Delivered**	13,931.1	(2,596.8)	11,334.3	8,590.9		2,743.5	11,334.3
6.2	**Peaking Service**	-	-	-	-		-	-
6.3	**Ontario Production**	(24.8)	(1.7)	(26.5)	(26.5)		-	(26.5)
6.4	**Western Canadian - TCPL**	(3,170.5)	(3,691.0)	(6,861.5)	(6,861.5)		-	(6,861.5)
6.5	**Western Canadian - Alliance**	(6,378.2)	(2,785.0)	(9,163.2)	(9,163.2)		-	(9,163.2)
6.6	**Chicago Supplies**	5,448.8	(10,714.5)	(5,265.7)	(5,265.7)		-	(5,265.7)
6.7	**Other**	-	386.9	386.9	-	386.9		386.9
6.8	**PGVA**	-	(20,385.7)	(20,385.7)	(20,385.7)			(20,385.7)
6.		9,806.4	(39,787.7)	(29,981.3)	(33,111.7)	386.9	2,743.5	(29,981.3)

Jul-10

Item #	Supplies	Volume Variance $(000)	Price Variance $(000)	Variance Amount $(000)	Commodity $(000)	Transportation $(000)	Load Balancing $(000)	Variance Amount $(000)
		Col. 1	Col. 2	Col. 3	Col. 4		Col. 5	Col. 6
1.1	Ontario Delivered	7,909.5	1,249.0	9,158.5	7,130.6		2,028.0	9,158.5
1.2	Peaking Service	-	-	-	-		-	-
1.3	Ontario Production	(19.9)	(0.5)	(20.4)	(20.4)		-	(20.4)
1.4	Western Canadian - TCPL	(2,548.5)	(660.9)	(3,209.4)	(3,209.4)		-	(3,209.4)
1.5	Western Canadian - Alliance	(4,451.6)	0.9	(4,450.6)	(4,450.6)		-	(4,450.6)
1.6	Chicago Supplies	4,375.6	3,716.1	8,091.7	8,091.7		-	8,091.7
1.7	Other	-	695.0	695.0		695.0		695.0
1.8	PGVA	-	(20,584.1)	(20,584.1)	(20,584.1)			(20,584.1)
1.		5,265.1	(15,584.4)	(10,319.3)	(13,042.2)	695.0	2,028.0	(10,319.3)

Aug-10

Item #	Supplies	Volume Variance $(000)	Price Variance $(000)	Variance Amount $(000)	Commodity $(000)	Transportation $(000)	Load Balancing $(000)	Variance Amount $(000)
2.1	Ontario Delivered	12,822.2	192.8	13,014.9	9,488.7		3,526.3	13,014.9
2.2	Peaking Service	-	-	-	-		-	-
2.3	Ontario Production	(19.1)	(0.7)	(19.8)	(19.8)		-	(19.8)
2.4	Western Canadian - TCPL	(3,234.3)	(1,857.4)	(5,091.7)	(5,091.7)		-	(5,091.7)
2.5	Western Canadian - Alliance	(5,662.5)	84.8	(5,577.7)	(5,577.7)		-	(5,577.7)
2.6	Chicago Supplies	4,535.4	688.6	5,224.0	5,224.0		-	5,224.0
2.7	Other	-	658.4	658.4		658.4		658.4
2.8	PGVA	-	(24,815.1)	(24,815.1)	(24,815.1)			(24,815.1)
2.		8,441.6	(25,048.5)	(16,606.9)	(20,791.5)	658.4	3,526.3	(16,606.9)

Sep-10

Item #	Supplies	Volume Variance $(000)	Price Variance $(000)	Variance Amount $(000)	Commodity $(000)	Transportation $(000)	Load Balancing $(000)	Variance Amount $(000)
3.1	Ontario Delivered	(8,285.2)	(1,794.0)	(10,079.2)	(9,900.7)		(178.5)	(10,079.2)
3.2	Peaking Service	-	-	-	-		-	-
3.3	Ontario Production	(19.3)	(1.6)	(20.9)	(20.9)		-	(20.9)
3.4	Western Canadian - TCPL	(3,638.2)	(1,717.9)	(5,356.1)	(5,356.1)		-	(5,356.1)
3.5	Western Canadian - Alliance	(4,977.5)	(1,039.2)	(6,016.7)	(6,016.7)		-	(6,016.7)
3.6	Chicago Supplies	4,567.3	(5,850.7)	(1,283.4)	(1,283.4)		-	(1,283.4)
3.7	Other	-	963.0	963.0		963.0		963.0
3.8	PGVA	-	1,382.1	1,382.1	1,382.1			1,382.1
3.		(12,352.9)	(8,058.2)	(20,411.1)	(21,195.6)	963.0	(178.5)	(20,411.1)

Oct-10

Item #	Supplies	Volume Variance $(000)	Price Variance $(000)	Variance Amount $(000)	Commodity $(000)	Transportation $(000)	Load Balancing $(000)	Variance Amount $(000)
4.1	Ontario Delivered	(1,263.8)	(3,813.8)	(5,077.5)	(1,573.3)		(3,504.3)	(5,077.5)
4.2	Peaking Service	-	218.3	218.3	-		218.3	218.3
4.3	Ontario Production	(17.7)	(1.2)	(18.9)	(18.9)		-	(18.9)
4.4	Western Canadian - TCPL	(2,883.0)	(182.8)	(3,065.8)	(3,065.8)		-	(3,065.8)
4.5	Western Canadian - Alliance	(4,769.2)	1,056.7	(3,712.5)	(3,712.5)		-	(3,712.5)
4.6	Chicago Supplies	3,943.6	(3,112.0)	831.6	831.6		-	831.6
4.7	Other	-	659.5	659.5		659.5		659.5
4.8	PGVA	-	(8,627.5)	(8,627.5)	(8,627.5)			(8,627.5)
4.		(4,990.1)	(13,802.7)	(18,792.8)	(16,166.3)	659.5	(3,286.0)	(18,792.8)

Nov-10

Item #	Supplies	Volume Variance $(000)	Price Variance $(000)	Variance Amount $(000)	Commodity $(000)	Transportation $(000)	Load Balancing $(000)	Variance Amount $(000)
5.1	Ontario Delivered	11,163.0	(4,272.0)	6,891.0	8,598.4		(1,707.5)	6,891.0
5.2	Peaking Service	-	(13.3)	(13.3)	-		(13.3)	(13.3)
5.3	Ontario Production	(13.2)	(1.6)	(14.9)	(14.9)		-	(14.9)
5.4	Western Canadian - TCPL	3,795.6	(2,758.8)	1,036.8	1,036.8		-	1,036.8
5.5	Western Canadian - Alliance	119.1	(1,093.9)	(974.8)	(974.8)		-	(974.8)
5.6	Chicago Supplies	(1,079.4)	(5,175.4)	(6,254.8)	(6,254.8)		-	(6,254.8)
5.7	Other	-	580.0	580.0		580.0		580.0
5.8	PGVA	-	(17,128.4)	(17,128.4)	(17,128.4)			(17,128.4)
5.		13,985.0	(29,863.5)	(15,878.5)	(14,737.7)	580.0	(1,720.7)	(15,878.5)

Dec-10

Item #	Supplies	Volume Variance $(000)	Price Variance $(000)	Variance Amount $(000)	Commodity $(000)	Transportation $(000)	Load Balancing $(000)	Variance Amount $(000)
6.1	Ontario Delivered	15,881.8	(2,984.1)	12,897.7	13,073.5		(175.7)	12,897.7
6.2	Peaking Service	-	(79.3)	(79.3)	-		(79.3)	(79.3)
6.3	Ontario Production	(15.3)	(1.9)	(17.3)	(17.3)		-	(17.3)
6.4	Western Canadian - TCPL	39,770.3	(6,045.1)	33,725.2	33,725.2		-	33,725.2
6.5	Western Canadian - Alliance	130.9	(972.3)	(841.4)	(841.4)		-	(841.4)
6.6	Chicago Supplies	(1,191.1)	(3,264.4)	(4,455.4)	(4,455.4)		-	(4,455.4)
6.7	Other	-	580.0	580.0		580.0		580.0
6.8	PGVA	-	(51,377.0)	(51,377.0)	(51,377.0)			(51,377.0)
6.		54,576.6	(64,144.1)	(9,567.5)	(9,892.4)	580.0	(255.1)	(9,567.5)

ENBRIDGE GAS DISTRIBUTION INC.
True-up of Prospective Clearing Amounts
Gas Acquisition - Commodity Component

Item #	Particulars	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	
			Year 2010				Year 2011			
		Jan Q1 $(000)	Apr Q2 $(000)	Jul Q3 $(000)	Oct Q4 $(000)	Jan Q1 $(000)	Apr Q2 $(000)	Jul Q3 $(000)	$(000)	
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:									
	Forecast Recovery Amount									
1	January 2010 QRAM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	
2	April 2010 QRAM	n/a	2,561.3	976.7	3,165.7	6,131.9	n/a	n/a	12,835.7	(1)
3	July 2010 QRAM	n/a	n/a	(7,808.6)	(25,309.0)	(49,022.1)	(20,477.8)	n/a	(102,617.5)	(2)
4	October 2010 QRAM	n/a	n/a	n/a	(11,847.0)	(22,947.7)	(9,585.1)	(3,655.2)	(48,035.0)	(3)
5	Total Forecast Recovery Amount	-	2,561.3	(6,831.9)	(33,990.2)	(65,837.9)	(30,062.9)	(3,655.2)		
	Actual Recovery Amount									
6	January 2010 QRAM			-	-					
7	April 2010 QRAM			962.1						
8	July 2010 QRAM			(7,692.0)						
9	Total Actual Recovery Amount			(6,729.9)						
10	(Over Collection)/Under Collection			(102.1)					(102.1)	(4)

(1) as per EB-2010-0048 Ex. Q2-3, Tab 1, Schedule 2
(2) as per EB-2010-0186 Ex. Q3-3, Tab 1, Schedule 2
(3) as per EB-2010-0258 Ex. Q4-3, Tab 1, Schedule 2
(4) Rider C (Over)/Under Clearance

ENBRIDGE GAS DISTRIBUTION INC.
True-up of Prospective Clearing Amounts
Gas Acquisition - Transportation Component

Item #	Particulars	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	
		Year 2010				Year 2011				
		Jan Q1 $(000)	Apr Q2 $(000)	Jul Q3 $(000)	Oct Q4 $(000)	Jan Q1 $(000)	Apr Q2 $(000)	Jul Q3 $(000)	$(000)	
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:									
	Forecast Recovery Amount									
1	January 2010 QRAM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	
2	April 2010 QRAM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	
3	July 2010 QRAM	n/a	n/a	12.9	39.7	76.8	33.1	n/a	162.4	(1)
4	October 2010 QRAM	n/a	n/a	n/a	634.4	1,228.1	529.6	205.9	2,598.0	(2)
5	Total Forecast Recovery Amount	-	-	12.9	674.1	1,304.8	562.7	205.9		
	Actual Recovery Amount									
6	January 2010 QRAM									
7	April 2010 QRAM			-						
8	July 2010 QRAM			7.6						
9	Total Actual Recovery Amount			7.6						
10	(Over Collection)/Under Collection			5.3					5.3	(3)

(1) as per EB-2010-0186 Ex. Q3-3, Tab 1, Schedule 2
(2) as per EB-2010-0258 Ex. Q4-3, Tab 1, Schedule 2
(3) Rider C (Over)/Under Clearance

ENBRIDGE GAS DISTRIBUTION INC.
True-up of Prospective Clearing Amounts
Gas Acquisition - Load Balancing Component

Item #	Particulars	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	
		Year 2010				Year 2011				
		Jan Q1 $(000)	Apr Q2 $(000)	Jul Q3 $(000)	Oct Q4 $(000)	Jan Q1 $(000)	Apr Q2 $(000)	Jul Q3 $(000)	$(000)	
	Variance between projected and actual prospective recovery for month(s) with actual data since previous QRAM application:									
	Forecast Recovery Amount									
1	January 2010 QRAM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	
2	April 2010 QRAM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	
3	July 2010 QRAM	n/a	n/a	344.9	1,074.7	2,048.9	881.8	n/a	4,350.2	(1)
4	October 2010 QRAM	n/a	n/a	n/a	2,289.5	4,334.3	1,879.7	750.5	9,254.0	(2)
5	Total Forecast Recovery Amount	-	-	344.9	3,364.2	6,383.2	2,761.5	750.5		
	Actual Recovery Amount									
6	January 2010 QRAM									
7	April 2010 QRAM			-						
8	July 2010 QRAM			332.4						
9	Total Actual Recovery Amount			332.4						
10	(Over Collection)/Under Collection			12.4					12.4	(3)

(1) as per EB-2010-0186 Ex. Q3-3, Tab 1, Schedule 2
(2) as per EB-2010-0258 Ex. Q4-3, Tab 1, Schedule 2
(3) Rider C (Over)/Under Clearance

FRPO INTERROGATORY #2

INTERROGATORY

DV - Deferral and Variance Accounts
Issue DV1: Are Enbridge's existing and proposed deferral and variance accounts appropriate?

Reference: D1, Tab 8, Schedule 1, page 7, paragraph 12

Preamble: The PGVA will record adjustments related to transactional services activities which are designed to record the impact of direct and avoided costs between the PGVA and the TSDA. These adjustments are required to ensure appropriate allocation of costs and benefits to the underlying transactions and appropriate recording of amounts in the 2013 PGVA and 2013 TSDA for purposes of deferral account dispositions.

Using the first quarter of 2011, please provide the specific transactions that occurred and how the respective direct and avoided costs were calculated. Please show the actual resulting values recorded for each month.

RESPONSE

EGD can identify the TS revenues generated in the first quarter of 2011 and provide the associated avoided and incurred total fuel and other costs, as provided in Table 1 below.

Table 1

	Jan-11	Feb-11	Mar-11
Storage Optimization	$ 29,035	$ 29,137	$ 27,788
Pipeline Optimization	$ 2,131,236	$ 1,371,758	$ 1,555,107
Total Revenue	$ 2,160,272	$ 1,400,895	$ 1,582,895
Avoided/(Incurred) Costs	$ (339,245)	$ (182,989)	$ (303,833)
Total TS Revenue	$ 1,821,027	$ 1,217,906	$ 1,279,062

Witnesses: K. Culbert
J. Sarnovsky
D. Small
R. Small

EGD declines to provide the disaggregation of this information on a deal by deal basis, due to the commercially sensitive nature of the business transactions. However, as set out in the following Table 2, EGD is able to provide details of how direct and avoided costs were calculated for the first quarter of 2012.

Table 2

		Jan 2011	Feb 2011	Mar 2011
Fuel	- incurred	$ (346,633)	$ (180,074)	$ (280,200)
	- avoided	$ 8,837	$ 6,314	$ 6,483
TCPL IT		$ -	$ (8,272)	$ (27,981)
Other		$ (1,449)	$ (956)	$ (2,135)
Total Avoided (Incurred) Costs		$ (339,245)	$ (182,989)	$ (303,833)

Witnesses: K. Culbert
J. Sarnovsky
D. Small
R. Small

VECC INTERROGATORY #1

INTERROGATORY

DV - Deferral and Variance Accounts
Issue DV1: Are Enbridge's existing and proposed deferral and variance accounts appropriate?

Reference: Exhibit D1 Tab 8 Schedule 1

a) Is EGD proposing any new deferral or variance accounts other than the Design Day Criteria Transportation Deferral Account and the Customer Care/CIS Rate Smoothing Deferral Account? If yes, please provide details.

b) For the new DAs and the AUTVA please provide a table that shows how they meet the criteria for D&V accounts on page 19. Specifically why are they appropriate in a Cost of Service Year?

RESPONSE

a) EGD is not proposing any new deferral account other than the Design Day Criteria Transportation Deferral Account ("DDCTDA") and the Customer Care/CIS Rate Smoothing Deferral Account ("CCCISRSDA").

The CCCISRSDA was previously approved for 2013 through 2018 in the EB-2011-0226 proceeding and Board decision.

b) Deferral and variance accounts are not a function of a certain regulatory regime. In fact, in Ontario they have been accepted by parties and approved by the Board to exist in conjunction with cost of service or incentive regulation models. Please see the table below indicating how the DDCTDA and Average Use True Up Variance Account ("AUTUVA") meet the criteria for deferral and variance accounts.

Witnesses: K. Culbert
R. Small

Criteria for DA's	DDCTDA	AUTUVA
Materiality of the amount at risk (revenue or expense).	As shown in evidence at Exhibit D1, Tab 2, Schedule 1, page 6, the potential or current forecast cost impact is approximately $66.2 million, which is a material amount.	As evidenced by the amounts previously approved for clearance through the AUTUVA, $(2.7)M CR.- 2008, $5.7M DR.– 2009, $(2.2)M CR.– 2010, $(3.0)M CR.– proposed in 2011, the potential amount at risk can be material.
Protection for the ratepayer/shareholder from benefiting at the expense of the other party related to a variance in the forecast amount.	As discussed at Exhibit D1, Tab 2, Schedule 1, the Company is proposing not to include the cost consequences of unutilized capacity in rates at this time but instead establish a DA to only capture costs that actually occur. Due to the potential size of this cost, the Company proposes to possibly lessen the impact by not immediately capturing in rates any incremental cost associated with the increase in Design Day Criteria.	As evidenced by AUTUVA results for the past number of years, the amounts have been both debits and credits which without the variance account would have resulted in either ratepayers or shareholders benefiting at the expense of the other.
Level of uncertainty associated with a forecast of the amount at risk.	As indicated in Exhibit D1, Tab 2, Schedule 1, a number of changing variables could result in other firm supply options becoming available before 2013, which contributes to a degree of uncertainty associated with the forecast amount.	Again, as evidenced by the AUTUVA results for the past number of years, there clearly remains a degree of uncertainty as to the predictability of average use trends.
Aspect of Control - circumstances beyond the Company's ability to control.	As indicated in Exhibit D1, Tab 2, Schedule 3, paragraph 19, a variety of circumstances which impact how design day requirements could be met and which are beyond the control of the Company are continuing to evolve.	As indicated in Exhibit C2, Tab 2, Schedule 1, there are a variety of factors outside of the Company's ability to control which influence actual versus forecast average use change.

Witnesses: K. Culbert
R. Small

BOARD STAFF INTERROGATORY #1

INTERROGATORY

DV - Deferral and Variance Accounts
Issue DV2: Is Enbridge's request to recover from ratepayers an approximate $90 million forecasted balance as at December 31, 2012 in the 2012 Transition Impact of Accounting Changes Deferral Account ("TIACDA") appropriate?

Ref: EB-2011-0277 Response to Board Staff Interrogatory #14 d)

In the response to EB-2011-0277 Board Staff Interrogatory #14 d), EGD stated that it will be publicly filing its comparative financial statements for 2011 and 2012 in USGAAP. EGD stated that the charge to retained earnings recorded in the TIACDA will be calculated as of January 1, 2010.

a) Please confirm that EGD's external auditors have audited the comparative 2010 and 2011 financial statements prepared in accordance with USGAAP.

b) Please list any significant adjustments that have occurred as a result of the external auditor's audit.

c) If the external auditors have not completed this work, please state the reasons why it has not been completed, and the expected date of completion

RESPONSE

a) Confirmed.

b) There were no significant adjustments as a result of the external auditor's audit.

c) Please see response to part a).

Witnesses: S. Chhelavda
K. Culbert
B. Yuzwa

BOARD STAFF INTERROGATORY #2

INTERROGATORY

DV - Deferral and Variance Accounts
Issue DV2: Is Enbridge's request to recover from ratepayers an approximate $90 million forecasted balance as at December 31, 2012 in the 2012 Transition Impact of Accounting Changes Deferral Account ("TIACDA") appropriate?

Ref: Ex. A2/ Tab 3/ Sch 1

Is recovery of the TIACDA necessary in 2013 rates and beyond if EGD remains on the cash basis for OPEB for rate-making purposes? Please explain.

RESPONSE

Recovery of the TIACDA is necessary because EGD does not have the option to remain on the cash basis for OPEB under USGAAP. Please refer to EGD's response to Board Staff Interrogatory, at Exhibit I, Issue D4, Schedule 1.10.

Witnesses: S. Chhelavda
K. Culbert

BOARD STAFF INTERROGATORY #3

INTERROGATORY

DV - Deferral and Variance Accounts
Issue DV2: Is Enbridge's request to recover from ratepayers an approximate $90 million forecasted balance as at December 31, 2012 in the 2012 Transition Impact of Accounting Changes Deferral Account ("TIACDA") appropriate?

Ref: Ex. A2/ Tab 3/ Sch 1

Regarding the proposed recovery of the TIACDA, the Board has established precedents where prior period costs are not permitted to be recorded in a deferral account that has yet to be authorized by the Board.

For example, in the August 18, 2010 Canadian Niagara Power Inc. ("CNPI") Board decision, EB-2010-0159, the Board denied CNPI's request to establish a deferral account to record certain preliminary costs associated with a leave to construct application. Preliminary costs of $1.5 million were incurred from late 2003 until the completion of the record in early 2010 in CNPI's leave to construct proceeding, EB-2009-0283. Subsequent to the completion of this record, the application for CNPI's deferral account was filed (April 2010). The issue of retroactivity was prevalent in the CNPI case. The timing of when the preliminary costs were incurred was compared to when these costs were proposed to be recorded in the deferral account.

In the EB-2010-0159 decision, on page 7 the Board stated that "deferral accounts are for the current period or future costs." The Board further emphasized that "there is no other provision for establishing a deferral account for expenditures that have already been made in relation to costs incurred in a prior year."

EGD is proposing to recover in this proceeding amounts in the TIACDA that represent "prior period costs."

a) Does EGD agree that the "prior period costs" recorded in the TIACDA represent costs incurred prior to January 1, 2012? Please explain.
   i. If EGD does not agree, please explain.

Witnesses: S. Chhelavda
K. Culbert
B. Yuzwa

b) Does EGD agree that recovery of balances recorded in the TIACDA that relate to costs incurred prior to January 1, 2012 would result in retroactive ratemaking? Please explain.
   i. If EGD does not agree, please explain.

c) Does EGD agree that OPEB expenses were incorporated into EGD's rates in prior proceedings on a final basis? Please explain.
   i. If EGD does not agree, please explain.

d) Does EGD agree that recovery of balances described in part b) above would result in altering the amount of OPEB expenses that were incorporated into EGD's previous rates on a final basis? Please explain.
   i. If EGD does not agree, please explain.

e) Please explain why EGD should be treated differently than CNPI in being able to record and recover prior period costs in EGD's TIACDA.

f) Please explain why current ratepayers should pay for costs incurred in the TIACDA prior to January 1, 2012, or for prior period costs.

g) Please explain why EGD did not treat the TIACDA on a prospective basis and not try to recover prior period costs from current ratepayers.

h) Please provide a reference to any USGAAP standard that includes a provision that a regulator may approve prior period costs in current rates.

RESPONSE

a) EGD does not agree with the notion that amounts included in the TIACDA represent "prior period costs", similar to the costs referenced in the CNPI Decision. The amounts included in the TIACDA represent the difference between the accrual basis OPEB expense that was required for financial accounting purposes by CGAAP and the cash basis expense that was included in rates. The amount requested within the TIACDA represents amounts or costs to be paid in the future. As described in Exhibit A2, Tab 3, Schedule 1, EGD was able to recognize the cash basis for expense through the use of a regulatory asset which was in recognition of approved rates including recovery of the cash basis for OPEB's. At the time this offsetting regulatory asset was recognized, it represented the accumulated difference between the accrual expense that was required by CGAAP and the cash basis expense included in rates. In essence, this amount is representative of the OPEB benefits

Witnesses: S. Chhelavda
K. Culbert
B. Yuzwa

accrued to date by EGD's employees that have not yet been paid but must be paid in the future and it is inaccurate to consider them prior period costs.

b) Please see the response to part a). Balances recorded in the TIACDA represent amounts to be paid in the future and therefore EGD submits that recovery of these amounts cannot be referred to as retroactive ratemaking.

c) EGD agrees that the amounts recovered in rates and recorded as an expense in the past were approved in final rates.

d) Allowing the recovery of differing amounts between an accrual versus cash basis of accounting, permitted by accounting standards to be recorded as an asset in recognition of the manner in which rates are approved, and in recognition of amounts to be paid in the future, does not alter amounts previously allowed in rates or expensed. Again, the amounts requested within the TIACDA represent amounts to be paid in future periods to employees.

e) EGD is not aware of the circumstances surrounding the CNPI case. However, the explanation given by Board Staff in this interrogatory states that CNPI was seeking recovery of amounts which previously were actually paid. Balances recorded in the TIACDA are not prior period costs, but rather amounts to be paid in the future.

f) The amounts for which recovery is requested are not amounts already incurred.

g) The amounts being requested for recovery are not prior period costs. EGD requested recovery of the amounts over a fifteen year period for the reasons outlined in evidence at Exhibit A, Tab 3, Schedule 1, pages 11 and 12.

h) US GAAP does not provide specific guidance on what a regulator may or may not approve; rather, US GAAP provides guidance on how to account for impacts of decisions made by the regulator.

Witnesses: S. Chhelavda
K. Culbert
B. Yuzwa

BOARD STAFF INTERROGATORY #4

INTERROGATORY

DV - Deferral and Variance Accounts
Issue DV2: Is Enbridge's request to recover from ratepayers an approximate $90 million forecasted balance as at December 31, 2012 in the 2012 Transition Impact of Accounting Changes Deferral Account ("TIACDA") appropriate?

Ref: Ex. A2/Tab 3/Sch 1/Appendix 2

EGD has provided a continuity schedule of the OPEB Funded Status at Ex. A2/Tab 3/Sch 1/Appendix 2.

a) Please update the schedule to show how the $50.4 million opening benefit obligation for the year ended September 30, 2001 was derived. Please explain the balance.

b) Please update the schedule to show exactly how the $90 million forecasted balance as at December 31, 2012 in the 2012 TIACDA was derived. Please include the years 2011 and 2012 in the schedule.

c) Has EGD"s external auditor audited or reviewed this continuity schedule?

   If so, does the continuity schedule reflect the auditor's comments?
   If not, when will the external auditor's audit or review take place?

d) What action does EGD plan to take if the actual audited December 31, 2012 balance in the 2012 TIACDA is less than or greater than $90 million?

RESPONSE

a) Please see Attachment 1 for a continuity schedule showing how the September 30, 2001 opening benefit obligation was derived.

b) Please see Attachment 2.

Witnesses: S. Chhelavda
K. Culbert
B. Yuzwa

c) No, EGD's external auditor has not specifically audited or reviewed the continuity schedule, and EGD does not plan to engage its external auditor to audit or review the continuity schedule. However, the figures presented are derived from either EGD's audited external financial statements or Mercer (Canada) Limited's accounting valuation reports, which are reviewed by EGD's external auditors through their audit of the financial statement disclosures derived from these reports.

d) If the actual audited December 31, 2012 balance in the 2012 TIACDA is less than or greater than $90 million, EGD will adjust this balance in the 2013 TIACDA account.

Witnesses: S. Chhelavda
K. Culbert
B. Yuzwa

Enbridge Gas Distribution Inc.
Continuity Schedule of the September 30, 2001 OPEB Opening Benefit Obligation
(in millions)

	30-Sep-00
Change in Accrued Benefit Obligation	
Benefit obligation at beginning of year	48.1
Service cost	0.9
Interest Cost	3.4
Actuarial loss/(gain) and other adjustments	-
Benefits paid	(2.0)
Benefit obligation at end of year	50.4

Note: Above amounts were derived from September 30, 2000 disclosure report prepared for EGD by Mercer (Canada) Limited.

Enbridge Gas Distribution Inc.
Continuity Schedule of the OPEB Funded Status
(in millions) (see Note 1)

	A 30-Sep-01	B 30-Sep-02	C 30-Sep-03	D 31-Dec-04	E 31-Dec-05	F 31-Dec-06	G 31-Dec-07	H 31-Dec-08	I 31-Dec-09	J 31-Dec-10	K 31-Dec-11	L 31-Dec-09	M 31-Dec-10	N 31-Dec-11	O 31-Dec-12
Change in Accrued Benefit Obligation															
Benefit obligation at beginning of year	50.40	54.80	59.60	62.60	72.00	89.10	95.00	99.50	83.20	81	87	77	74	80	96
Service cost	1.00	1.10	1.50	1.00	1.20	1.60	1.60	1.50	1.20	1	1	1	1	1	2
Interest Cost	3.50	3.80	4.40	3.80	4.50	4.60	4.90	5.60	5.40	5	5	5	5	5	4
Actuarial loss/(gain) and other adjustments	2.00	2.10	(5.70)	9.20	13.90	2.30	0.80	(20.30)	(5.80)	4	13	(6)	4	13	0
Benefits paid	(2.10)	(2.20)	(2.40)	(2.40)	(2.50)	(2.60)	(2.80)	(3.30)	(3.50)	(3)	(3)	(3)	(3)	(3)	(3)
Net transfer in/(out)										(2)			(2)		
Adjustment due to change in measurement date								0.20		1			1		
Plan amendments				(2.20)											
Employees transferred back to the Company			5.20												
Benefit obligation at end of year	54.80	59.60	62.60	72.00	89.10	95.00	99.50	83.20	80.50	87	103	74	80	96	99
Change in Plan Assets															
Fair value of plan assets at beginning of year	-	-	-	-	-	-	-	-	-	-	4	-	-	-	-
Employer's contributions	2.10	2.20	2.40	2.40	2.50	2.60	2.80	3.30	3.50	7	6	3	3	3	3
Benefits paid	(2.10)	(2.20)	(2.40)	(2.40)	(2.50)	(2.60)	(2.80)	(3.30)	(3.50)	(3)	(3)	(3)	(3)	(3)	(3)
Net transfer in (out)											(1)				
Fair value of plan assets at end of year	-	-	-	-	-	-	-	-	-	4	6	-	-	-	-
Funded Status															
Benefit obligation	(54.80)	(59.60)	(62.60)	(72.00)	(89.10)	(95.00)	(99.50)	(83.20)	(80.50)	(87)	(103)	(74)	(80)	(96)	(99)
Fair value of plan assets	-	-	-	-	-	-	-	-	-	4	6	-	-	-	-
Overfunded/(Underfunded) status at end of year	(54.80)	(59.60)	(62.60)	(72.00)	(89.10)	(95.00)	(99.50)	(83.20)	(80.50)	(83)	(97)	(74)	(80)	(96)	(99)
Contribution after measurement date				0.60	0.60	0.70	0.70	0.80	0.80			1			
Unamortized prior service cost							(0.70)	(0.60)							
Unamortized net actuarial loss/(gain)	2.00	4.00	(0.50)	8.70	22.40	23.20	18.90	(2.40)	(8.50)	(4)	9	(9)	(4)	9	9
Unamortized transitional (asset)/obligation	47.10	43.70	42.40	34.90	31.70	28.50	24.90	21.80	18.70	16	13	19	16	13	10
Net Amount Recognized on the Balance Sheet	(5.70)	(11.90)	(20.70)	(27.80)	(34.40)	(42.60)	(55.70)	(63.60)	(69.50)	(71)	(75)	(63)	(68)	(74)	(80)

Note 1:
The balances in columns A through to K are from Enbridge's consolidated external financial statements, which include amounts from St. Lawrence Gas, a wholly owned subsidiary.
The balances in columns L and N presents the 2009 to 2011 results excluding the impact of St. Lawrence Gas.
The balance in column O presents the estimated 2012 results based on the December 31, 2011 accounting valuation report, excluding the impact of any EGD affiliates.

BOARD STAFF INTERROGATORY #5

INTERROGATORY

DV - Deferral and Variance Accounts
Issue DV2: Is Enbridge's request to recover from ratepayers an approximate $90 million forecasted balance as at December 31, 2012 in the 2012 Transition Impact of Accounting Changes Deferral Account ("TIACDA") appropriate?

Ref: Ex. A2/ Tab 3/ Sch 1

Please confirm that the balance in the TIACDA solely represents costs that are related to the cash basis versus the accrual basis for OPEB liability. If this is not the case, please explain.

RESPONSE

Confirmed.

Witnesses: S. Chhelavda
K. Culbert

CME INTERROGATORY #1

INTERROGATORY

DV - Deferral and Variance Accounts
Issue DV2: Is Enbridge's request to recover from ratepayers an approximate $90 million forecasted balance as at December 31, 2012 in the 2012 Transition Impact of Accounting Changes Deferral Account ("TIACDA") appropriate?

Reference: Exhibit A2, Tab 1, Schedule 1
Exhibit D1, Tab 8, Schedule 1
Board Staff Interrogatory Nos. 141 to 145

Does any portion of the $90M forecasted balance as at December 31, 2012 relate to the proposal to switch to the accrual method of accounting for Pension expenses, or is the amount entirely related to OPEB expenses?

RESPONSE

The $90 million forecasted balance as at December 31, 2012, does not relate to the proposal to switch to the accrual method of accounting for Pension expenses and is entirely related to OPEB expenses.

Witnesses: K. Culbert
R. Small
B. Yuzwa